

H 6450

## CONGRESSIONAL RECORD — HOUSE

September 8, 1986

Currently, the Agriculture Committee is reviewing legislation that would prohibit the reintroduction of foreign material into grain intended for export. It would also require that sublots of a shipment of grain meet the same grade as the entire lot of grain and it would require dockage recordings to be rounded off in the direction to understate the quality of grain. Finally it would create the tools necessary for markets to establish grain quality improvement incentives. Because it's obvious that these changes, as a minimum, are required, I felt it was appropriate to sponsor the bill.

Our current standards operate in a way that enables grain handlers, individuals, and companies in the production, storage, and export of grain, to raise the amount of foreign material, moisture, and dirt so that they can get additional profits. Present grain quality standards encourage quality problems. Consequently, standards should be changed immediately to accurately reflect the grain quality and provide economic incentives for delivering quality grain.

I urge rapid action and then I urge the leadership of the House to take action to expedite the consideration and passage of this legislation.

This Member believes that our existing grain quality standards are actually encouraging the corruption of our product.

They encourage the addition of foreign material. By blending poor quality and moisture-laden grain and soybeans the reputation of American agricultural products has been badly damaged. It is no wonder that foreign delegations which visit the Grain Belt repeatedly complain about the quality of American grain being exported. They note the quality of grain being harvested and ask why such quality grain doesn't reach their shores.

The National Commission on Agriculture Exports and Trade, of which I was a member, has made important recommendations for revisions and two reports, one from the Office of Technology Assessment, are coming to the Congress before the end of 1986 for action. However, it is obvious that there are some legislative changes that must be made now in the absence of administrative action. I urge the House to pass the pending legislation for improving the grain quality standards for the export of American grain and soybeans.

#### WHEAT, CORN, AND SOYBEAN PRODUCERS WOULD BENEFIT BY USE OF MARKETING LOAN CONCEPT

(Mr. DAUB asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DAUB. Mr. Speaker, today the American farmer continues to face devastating carryover stocks of wheat, feed grains, and soybeans. Although

the Agriculture Secretary now has discretion under the 1985 farm bill to approve marketing loans for these commodities, he has not yet done so.

Both cotton and rice producers are using the marketing loan concept with astounding results. Rice exports are up 50 percent. Cotton producers have increased their share of the world cotton market from 10 percent to 29 percent. They will sell 6 to 7 million bales of cotton this year overseas compared with 1.5 million bales last year.

Some cotton experts are saying that there could be a domestic shortage of this commodity next year.

It is time that wheat, corn, and soybean producers are allowed to use this vital marketing tool. Continuing to pile up surpluses on top of each other only depresses prices, increases taxpayer program costs and will aggravate an already critical shortage of storage space in the Midwest.

I ask my colleagues, both rural and urban, to support this bill and give the American farmer the tool he needs to beat foreign competition head on. Only then will he retake what is rightfully his: unchallenged dominance of world markets.

#### RETROACTIVE TAX REVISION TARGETS PUBLIC SERVANTS UNFAIRLY

(Mr. WOLF asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WOLF. Mr. Speaker, in the conference report on tax reform, only one group of Americans has been singled out for retroactive tax revision: that group consists of nearly 20 million police officers, firemen, teachers, and local, State, and Federal Government workers.

These dedicated public servants, at all levels of government, participate in mandatory contribution pension plans. Money contributed to such systems is taxed as gross income and under current tax laws, contributors are allowed up to a 3-year tax-exempt grace period to recover their contributions.

The conference report on tax simplification, however, would change all that and would subject these public servants to immediate taxation on their annuities—effectively ending the only benefit of such a contributory plan. Even more serious is the fact that this provision has been made retroactive. This effectively traps many public employees in their jobs without having the benefit of opting for the 3-year recovery rule on which they based their retirement plans.

Mr. Speaker, each and every day we depend on teachers, firemen, police officers and government employees to provide us with important services—services we demand. It is unfair to eliminate one of the few benefits public employees have, but it is even more unfair to do it retroactively. Public employees are the only group

to be faced with retroactive tax revision.

I will be holding a special order on this subject at the conclusion of business today. I am committed to working to eliminate the damage the proposed tax reform conference will reap if passed and I encourage my colleagues to join me in this effort. It is a question of fairness and we need your support in this battle.

#### COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, DC,  
August 18, 1986.

Hon. THOMAS P. O'NEILL, Jr.,  
The Speaker, House of Representatives,  
Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5, Rule III of the Rules of the U.S. House of Representatives, the Clerk received at 2:36 p.m. on Monday, August 18, 1986, the following message from the Secretary of the Senate: That the Senate recedes from its amendment numbered 2 to the bill, H.R. 5395, and that the Senate passed H.J. Res. 713, H. Con. Res. 288, H. Con. Res. 301, H.R. 1260, H.R. 3554, H.R. 4331, H.R. 4393, H.R. 4843, and H.R. 5371.

With kind regards, I am,  
Sincerely,

BENJAMIN J. GUTHRIE,  
Clerk, House of Representatives.

#### ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair desires to announce that pursuant to clause 4 of rule I, the Speaker pro tempore signed the following enrolled bill and joint resolutions on Saturday, August 18, 1986:

S. 410. An act to reform the residential conservation service and to repeal the commercial and apartment conservation service;

S.J. Res. 249. Joint resolution to proclaim October 23, 1986, as "A Time of Remembrance" for all victims of terrorism throughout the world; and

S.J. Res. 388. Joint resolution to designate October 6, 1986, as "National Drug Abuse Education Day."

And he signed the following enrolled bills and joint resolution on Tuesday, August 19, 1986:

H.R. 1260. An act for the relief of Joe Her-ring.

H.R. 1343. An act to authorize the use of funds from rental of floating drydock and other marine equipment to support the National Maritime Museum in San Francisco, CA, and for other purposes.

H.R. 3108. An act to amend title 17, United States Code, to clarify the definition of the local service area of a primary transmitter in the case of a low power television station.

H.R. 3554. An act to provide for the restoration of the Federal trust relationship with, and Federal services and assistance to, the Klamath Tribe of Indians and the individual members thereof consisting of the Klamath and Modoc Tribes and the Ya-

September 8, 1986

## CONGRESSIONAL RECORD—HOUSE

F 641

hooskin Band of Snake Indians, and for other purposes:

H.R. 4331. An act to authorize the Secretary of Agriculture to make grants for the purpose of establishing institutes of rural technology development;

H.R. 5371. An act to extend until September 15, 1986, the emergency acquisition and net worth guarantee provisions of the Garn-St Germain Depository Institutions Act of 1982;

H.R. 5395. An act to increase the statutory limit on the public debt;

H.J. Res. 713. Joint resolution making a repayable advance to the hazardous substance response trust fund; and

S. 1888. An act to provide for a program of cleanup and maintenance on Federal lands.

And he signed the following enrolled bills on Thursday, August 21, 1986:

H.R. 4393. An act to consolidate and improve provisions of law relating to absentee registration and voting in elections for Federal office by members of the uniformed services and persons who reside overseas; and

H.R. 4843. An act to provide for a minimum price and an alternative production rate for petroleum produced from the naval petroleum reserves, and for other purposes.

#### COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, DC,  
September 8, 1986.

Hon. THOMAS P. O'NEILL, Jr.,  
The Speaker, House of Representatives,  
Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5, Rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit sealed envelopes received from the White House as follows:

(1) At 4:35 p.m. on Thursday, August 28, 1986 and said to contain a message from the President under the Federal Pay Comparability Act of 1970; and

(2) At 2:50 p.m. on Thursday, September 4, 1986 and said to contain a message from the President whereby he advises the Congress of the continuance of the national emergency with respect to South Africa. He attaches a copy of his Notice, which was earlier filed with the Office of the Federal Register.

With kind regards, I am,  
Sincerely,

BENJAMIN J. GUTHRIE,  
Clerk, House of Representatives.

#### PAY ADJUSTMENT FOR FEDERAL EMPLOYEES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 99-262)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Post Office and Civil Service and ordered to be printed:

(For message, see proceedings of the Senate of today, Monday, September 8, 1986.)

#### CONTINUATION OF THE SOUTH AFRICA EMERGENCY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 99-263)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Foreign Affairs and ordered to be printed:

(For message see proceedings of the Senate of today, Monday, September 8, 1986.)

#### TERRORISM

The SPEAKER pro tempore (Mr. MURTHA). Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, the most recent outbreak of international terrorism, an attack on a synagogue in Turkey, is one more tragic example of the stranglehold terrorist groups may have on the free world if we do not respond to their despicable acts of violence.

Following closely behind the Pan Am Airlines hijacking, two Arab gunmen with probable ties to the notorious Abu Nidal, burst into a synagogue in Turkey, hurling grenades and firing submachine guns, killing 21 Jewish worshippers attending a Sabbath prayer service. This cowardly act, like the scores of random dastardly acts against humanity which have preceded it, was conceived and carried out solely to disrupt and derail the Middle East peace initiative.

The United States and the rest of the nations of the world must not be held hostage by these international hoodlums who work to destabilize the international order, and impose their own diabolical objectives on us all. When a particular group has been identified as perpetrating these barbaric terrorist acts against innocent individuals, we must move swiftly and decisively against that group to demonstrate beyond any doubt that the world will not tolerate their crimes against mankind; and when such actions are taken in retaliation, let us not forget who are the victims and who are the criminals.

#### PROVISIONS AFFECTING GOVERNMENT RETIREES IN TAX REFORM BILL SHOULD BE CORRECTED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia [Mr. WOLF] is recognized for 60 minutes.

Mr. WOLF. Mr. Speaker, I want to discuss one of the more onerous provisions in the tax reform conference agreement.

I know that many of my colleagues have returned from their districts

having heard from police, firemen, teachers, local, State, and Federal Government workers, and Capitol Hill employees, who are concerned about the tax reform conference report altering the 3-year-basis recovery rule.

These public servants, at all levels of government, participate in a mandatory—and it is mandatory, Mr. Speaker—contributory pension plan. Money contributed to such systems is taxed as gross income, and under current tax law, contributors are allowed up to a 3-year tax-exempt grace period at retirement for recovering their contributions.

What is even of greater concern, however, is that the tax reform conference report not only eliminates this provision, wiping out one of the only such benefits in the contributory system, but does it—and this is the key—retroactively, thus trapping retirement-eligible employees in their jobs without having the benefit of opting for a 3-year recovery rule on which they have based years of retirement planning.

The effective date for the annuity pension tax is retroactive to July 1, 1986. It is this provision which I must address today.

This provision has surprised, I think quite frankly, the Congress, and may even have surprised the Members that were on the conference committee. It has angered thousands of Government employees—teachers, policemen, firemen, rescue squad members, Federal employees—who either retired after the July 1 effective date, are eligible to retire but had a loyalty and commitment to their project and mission who are waiting until the end of the year, or those who have carefully mapped out their retirement plans throughout their previous 30-, 35-, or 40-year service.

I had the opportunity 2 weeks ago to speak to a Civitan group in my congressional district. There were two teachers who both had worked up through July 3. As a result of their working that 1 extra week to help out the Fairfax County school system, they will pay an unbelievable tax. They never ever had any idea that that would be the case.

Many of these individuals were encouraged to put money into U.S. savings bonds and other investments so that they might cash them immediately upon retirement during this "tax free" period. Now the rules could suddenly change, and those plans could be wiped out.

In the hundreds of letters and phone calls that I have received, constituents have informed me that this retroactive date will cost some of them anywhere from \$5,000 to \$30,000 in their retirement plans. If Congress is determined to change the rule, equity and fairness and consistency dictate that such a fundamental change in this recovery rule become effective prospectively—at least 60 days from the enactment of

H 54/2

## CONGRESSIONAL RECORD — HOUSE

September 8, 1986

the tax reform legislation, and preferably at the end of the calendar year. When most retirements normally occur.

I am not asking that these employees receive special treatment—just fair treatment, just equal treatment. No other group of individual taxpayers were singled out for this retroactive tax revision. To make the date retroactive is proof to all current and potential government employees that Congress holds their concerns and well-being not in a very high position. The number of people is growing for whom the sense of pride and enthusiasm and dedication with which they entered government service has been replaced by a feeling of discouragement, resentment, and bitterness.

This feeling is now, to quote a constituent, "being compounded by a feeling of unjust exploitation. It is exactly as though your neighbor, having borrowed far beyond his means to obtain an addition to his house and expensive new cars in his garage, while you were carefully saving for your future, then stole your savings to help pay his debts, and had the power to make his theft legal by revising the law."

I would urge my colleagues to consider the teachers, the firefighters, the police, and the public servants at all levels of government who are concerned about this retroactive change, and in all fairness, join me in working to overturn or minimize the damage that the proposed tax reform conference report will reap if passed.

Mr. Speaker, I would like to read a couple of letters that were sent to me. I will not mention the names, and we will leave the parties unidentified.

Here is a letter dated August 21:

I believe that the tentative decision to implement this measure effective July 1, 1986, is discriminatory. I am unaware of any other class of individual which would be affected retroactively and with such a negative impact by the tax reform bill. Conventional wisdom advises prospective retirees to begin planning five years before retirement; and yet this legislation would yank the safety net from under a large group of retirees without affording them even the opportunity to factor it into their planning. This seems to me unreasonable and unfair.

Being a federal employee, I naturally am most concerned with the measure's effect on me and my colleagues, men and women from across the nation who in good faith and trust placed their welfare in the hands of the U.S. Government—not only for the duration of their career, but for their retirement years as well. I am also thinking of several million police, firemen, teachers and other state and municipal government workers who are equally prejudiced by this aspect of tax reform.

Mr. Speaker, there are FBI agents who decided to stay through the end of the year before retiring because they were working on a case. And they wake up one day and find out that their good-will effort to stay and provide that service to solve a law-enforcement problem has been rewarded by, quite frankly, a kick in the teeth.

Mr. Speaker, that is something that we can correct. This is an issue that

this Congress felt strongly about. This was the one issue that brought about the defeat of the rule the first time the House considered the tax reform issue, and I think quite frankly that it is an issue, as Members talk to their constituents, that again could do the same thing.

Let me read the next letter. It says:

DEAR CONGRESSMAN:

... I could have retired June 30 but the situation in my office was such that if I had retired I would have contributed to an already existing problem. We had an employee recovering from surgery and two in the process of leaving the government because they were disenchanted with the system. So, I chose to remain and get penalized for being sensitive of the needs of the office.

I strongly feel that the effective date for taxing the annuity should be changed or there should be a grandfather clause for those who are already eligible.

Mr. Speaker, here is an individual who stayed simply because he was dedicated to his job, and the office was having a difficult time so he decided to stay, and as a result of staying, he is penalized.

□ 1225

Let me remind my colleagues that the Navy captain who goes out to sea and spends 6 months at a time on a nuclear submarine and has, sometimes, one of the highest rates of family problems because of absence from the family, is a Federal employee.

The polls are showing that the No. 1 concern in the country is drugs. A drug enforcement agent faces a dangerous job and recently we have had one who was killed, and another who almost died. These drug enforcement agents who are working to keep drugs out of our schools are Federal employees.

I think we should understand that. These are the people who are being hurt by this tax change provision.

The FBI agent is another example. For anyone in this Chamber, any Member of Congress whose loved one was kidnaped or had a similar problem, the first agency that you would call would be the FBI. They are Federal employees. These are the people that have been hit by this tax change provision.

Another example is the cancer researchers at the National Institutes of Health working to find a cancer cure. Who does not have a loved one who has been impacted by cancer? Both my mom and dad died of cancer. That Federal employee who is working at NIH who could probably go out and work in private industry, with a drug company or similar business; they are the ones who are being hit by the change in the 3-year basis recovery rule.

Of course, we all remember the day when there was the attempted assassination by John Hinckley on President Reagan. The Secret Service agent, Timothy McCarthy, who stopped the bullet that would have killed the

President of the United States, is a Federal employee and will be hindered and hurt by this provision.

Why did the conference agree to do something like this? Why did they not instead say, in the future we will give these people an opportunity to change? But they did not do it. They made this provision retroactive.

Let me read another letter. "Millions of us government workers have served loyally," as I said, these many groups that I have mentioned, "and worked very hard over the years. We planned our retirement based on the rules laid down when we first joined."

Is that not the fair way? You look at the laws, you look at the rules, you see what it is and you abide by them.

It's grossly unfair if Congress goes along with the sneaky way in which the tax reform committee imposed the retroactive tax-free period to July 1, making it impossible for us to have a choice. The only fair way is to make the effective date in the future, so that we can decide for ourselves.

I think that makes all the sense in the world.

Let me read another letter.

Dear Sir: This is to register my personal protest regarding the abrupt change in the tax treatment of retirement annuities for Federal, State and municipal employees throughout the United States.

Let the Congress know, the Senate and the House, we are not just talking about Federal employees. We are talking about policemen. We are talking about every teacher in every State, but I think for two. We are talking about all the rescue squad people with the fire departments. We are talking about State and local government people. We are talking about 20 million people who have been negatively impacted.

To say that this is a betrayal of public trust is understating the case—it seems to me that the people on whom this provision will most severely impact are those who are among the most dedicated, hardworking and relatively lowest paid in our society, i.e., policemen, firemen, teachers, and Federal, State, and municipal employees.

The retroactive nature of this change only compounds the unjust nature of the provision, making it discriminatory as well as unfair. This seems to be the only provision in the new Tax Code which the committee has seen fit to predate. It quite literally pulls the carpet out from under thousands of people who are faced with imminent retirement, and who have laid plans far in advance taking into consideration the recovery period for their annuities.

I want to mention also the number of congressional employees which this tax change hits. One congressional employee made the comment:

You know, I decided to stay with my Member through the end of this year because I felt a commitment. The Member had been good to me, and I was loyal to the Member. I felt that I had an obligation with elections coming up and with the end of the year and the turmoil that we go through with continuing resolutions and things like this, that I would show my loyalty, although I had read in the paper that the House provision went to July 1. I never in

September 8, 1986

## CONGRESSIONAL RECORD — HOUSE

H 6453

all my years of working on Capitol Hill thought that this Congress, and this House, would ever do this. So I stayed. I stayed to be with my Member until the end of the year. As a result of providing that loyalty and staying with the Member of Congress with whom I had served all these years, I then wake up one day and find out that this provision is retroactive and will cost me thousands of dollars.

Let me read the next letter:

DEAR MR. WOLF: As a U.S. Federal employee in the Senior Executive Service, I would like to express my utter chagrin over the congressional proposal to change the rules on retirement annuity taxation retroactively. I was eligible to retire prior to 1 July 1986; however, I elected not to retire based on long-term projects and other important assignments with which I am involved.

Again, another person staying to help the citizens of this country, and as a result of staying, the person is injured.

Although I am aware that the annuity taxation provisions would undoubtedly change under the tax reform, I never envisioned for a moment that they would be made retroactively. This sort of disregard for the welfare of the Federal employee is not only hurtful to me personally, but is further proof to all current and potential employees that Congress holds their concerns and well-being as inconsequential.

I say to the Members, "Let us demonstrate our sense of fairness by changing this provision." I would say to the members of the conference and Mr. PACKWOOD and Mr. ROSTENKOWSKI, two decent and fair individuals, "Let us change this provision. Let us send the message to public employees around the country that we understand. Let us send the message that we care by changing this. We can."

Let me read another letter sent to a member of the tax conference committee:

For Congress to change retirement benefits without allowing one the opportunity to retire under what he thought were his terms of employment is simply dishonest!

Many Federal employees left before July 1 because they said, "I am not going to risk it."

Those who stayed because they were willing to trust their Government are the ones who were hurt the most.

Further, are those who retired on June 30, 1986 (many presumably because they felt Congress was not to be trusted) any more deserving of their full benefits than the others eligible who delayed for various reasons? Surely those eligible to retire should be given the opportunity to do so under the regulations they had planned under during their careers. For us the approximate \$15,000 that we will no longer have in a 1987 retirement year in real terms means our daughter's college tuition, which we cannot provide out of a reduced retirement salary.

□ 1235

This tax change will negatively impact on their ability to pay for their daughter's tuition.

Reading the next letter:

My husband and I are long-time government employees who plan to retire on January 2, 1987. We had made our financial plans years ago, including most particularly the first 18 months of retirement. In that

time we plan to move to another house, set up our estates (small as they are), and secure our financial future. Suddenly everything has changed with the surprise reconciliation of the Senate-House tax reform bills to include taxing government retirees as of July 1, 1986.

Again, this was a conference report that was agreed to in August; about August 16, and they will be taxed as of July 1.

Please consider this request, as we are typical of so many thousands of people who are ready to retire and have made numerous plans that will surely go awry.

Our Treasury Department has a brochure out, Mr. Speaker, which urges Federal employees to buy savings bonds, telling them they can cash their savings bonds in on those first 18 months to 2 years when they retire, and they will be in a lower tax bracket.

All of the people that purchased those savings bonds over the years have now found out that that was all to no avail.

Reading a portion of the next letter:

If we concede, which I do not, that repealing the 3-year recovery period is fair treatment, how can it be fair to make the repeal retroactive to last July? To the best of my knowledge, this was the only provision involving personal income taxes that was made retroactive. Why? By that action, the Conference Committee clearly reduced my salary over the past 23 years by over \$55,000. Many Federal retirees will not live long enough to collect the money they paid taxes on and contributed to their retirement fund. Please tell me how that is fair.

Well, obviously, the answer is it is not fair. This conference agreement on the 3-year basis recovery rule is not fair. This conference agreement, I think, will be haunted if this provision is not changed by the fact that this will do more to destroy faith and confidence in the people's government than probably any other action that has been taken by Government in a long, long time.

Let me read a couple more letters:

DEAR CONGRESSMAN WOLF: The House version would implement the proposed change retroactive to July 1, 1986. That is gross and may well be unconstitutional. The Senate version is much better by providing a transition period up to January 1, 1988.

Well, we know that the House prevailed and the House Ways and Means Committee position prevailed, and the Senate did not. The Senate provision would have made this date effective in January of next year, so that if it were done, and it is not a good idea to do this; but if it were done, what it would mean is any Federal employee or policeman or fireman, rescue squad person, teacher, would have had the opportunity to say, "OK, I think I will retire in order not to be covered by this provision." But when this was done on a retroactive basis, that opportunity was not available.

Another alternative, which would be fairer, would be to include some sort of grandfather provision, e.g., for those who have or will reach either or both the age or years of service requirements for retirement

eligibility prior to the implementation date. This would remove tax considerations from the retirement decisions of the older, qualified employees.

We are talking, too, Mr. Speaker, about older Americans; people that have made these decisions over many years. We talk so much in this body about protecting older Americans and yet on the one hand we give and the other fist we take.

Reading another letter:

DEAR CONGRESSMAN WOLF: This year I completed 37 years of service as a Federal employee and also reached my 55th birthday.

Many of these people are veterans, too. Some from World War II, and veterans of the Korean war. So these are people who were veterans, who came in because of the opportunity to work for their Government and serve their country, and then at the end of their service, get a raw deal.

I think in debating this issue, we need to be mindful of the people we are talking about. Many, many are veterans who have given their best years. Some at Omaha Beach and Pork Chop Hill, and are ending their careers with the Federal service.

For years now, I have planned on retiring at the end of this year with a tax-free arrangement—

Not tax-free; they already paid taxes, so we do not misunderstand this gentleman's letter. They have paid taxes on this money, and the money that they have paid taxes on, as it comes out, is tax free because they have already paid taxes on it—

until I recover my investment in the retirement fund. What a blow to have the Tax Reform Act provision retroactively applied to my annuity. The idea that we were given an opportunity to retire prior to June 30 to escape the possibility of the bill being made retroactive is absurd.

I favor a balanced budget and fiscal restraint but not at the expense of the federal employees—

And policemen and firemen and teachers—

who are eligible for retirement and who would now be subject to the only ex post facto provision of the proposed law. The Conference Committee did a commendable job of eliminating many tax loopholes while still providing protection for their pets. The fairness doctrine should prevail to the extent that federal employees would not be subject to a provision effective last June 30th when the legislation is yet not passed and unsigned. All other provisions of the Act are prospective or better yet being phased in over several years. It is simply not fair to try to balance the budget on the backs of the federal, state and local employee.

Mr. Speaker, I will read this last letter:

DEAR CONGRESSMAN WOLF: I have been a loyal, faithful and productive Federal Government worker for 26 years. I have been disappointed and annoyed by the repeated attempts of the administration to chip away at the retirement benefits of Federal workers. I couldn't believe the Joint House and Senate conference committee decided to



H 6454

## CONGRESSIONAL RECORD — HOUSE

September 8, 1986

remove, retroactive to 1 July 1986, the tax-free period on retirement income until a retiree recoups the amount of money the retiree paid into retirement and on which he/she has already paid taxes. I feel it is totally unfair and unjust to eliminate this or any other benefit an employee has understood would be part of his retirement program. The Federal Government has a moral and legal obligation to maintain its commitments to its employees. If the Federal Government wants to make the above change, in order to be fair and just, it should be made for any new employees after a stated future date, and thus, not break a commitment it has with actively employed workers who have understood they would have the above tax-free period.

Mr. Speaker, these are all the letters I will read today. I know a lot of Members are still in their districts, so we may do this again to get this point across. I would ask my colleagues that are listening, particularly those members of the distinguished Committee on Ways and Means, Chairman ROSENKOWSKI and the others, who have worked so hard and clearly they have worked hard to bring about a tax reform bill.

□ 1245

But I would ask them to factor into their deliberations now that they are back, a sense of fairness, a sense of equity, a sense of justice to do the right thing. I would ask them to change this provision. There are several compromises floating around and I would ask the chairman to take one of these and to adopt it whereby this provision will not be retroactive, to protect those people who stayed. Let us remember the individuals who stayed because their office was in dire straits; the people working at the FBI on a top investigation and did not want to leave. Also, the people at NASA who just did not want to leave until the end of the year because with the Rogers Commission they knew that NASA was undergoing great turmoil, and they decided to stay to help ease into this situation before they left. Many of those were the best and the brightest who came on when President Kennedy said that we could put a man on the Moon. They believed that, as all of us believed that. We watched them do the job that they did putting the men on the Moon, and they have stayed because of the Challenger shuttle accident, in order to take care of the transition and to keep that place going.

We have an obligation to the Drug Enforcement agents who are just so fed up with seeing drugs coming in from Bolivia, Colombia, Mexico, and other places who are risking their lives in order to stay but just did not want to bail out, did not want history to show that when the going was tough they were going to leave. So they stayed for those extra several months.

Also, for the many employees on Capitol Hill who are loyal—and you know, my colleagues who are listening, having been a former congressional staffer for Congressman "Pete" Bies-

ter from Pennsylvania, a Member who was here back in the sixties and early seventies. And I indirectly worked in a different capacity for another Congressman, Congressman John Kyl, from the great State of Iowa, and then was the Deputy Assistant Secretary under Rogers Morton, who was a Member's Member from the Eastern Shore of Maryland; you know how hard many of your employees have worked. You know they have put your best interests in front, many times in front of theirs. You know and the people in this country should know the hours that these staff people work. We have some of the best people in the Government, some of the best people in the country who are working on Capitol Hill that work in this body, and they have stayed on because they have a commitment, a dedication, in a sense. A lot of people do not come to work for the Government for the money; they come because of a sense of involvement, spirit of cooperation, the opportunity to be involved in something bigger and better.

As I made the comment earlier, many of the people in the Space Program could have left the Space Program and gone with private industry; but they decided to stay because the mission was more important. They were involved in something really significant, and they wanted to be part of it. That is what attracts people to the Government. That is what attracts an honors graduate from Georgetown Law School to come into the Government rather than going with one of the big Wall Street companies, those who represent Fortune 500 companies; he would rather be there at the Justice Department stopping organized crime or fighting drugs. So there has been an incentive. We know many of the people who came up here on Capitol Hill to work for us, we know their dedication.

We also know, Mr. Speaker, that many of those people have been hurt. I would ask that when the Congress has an opportunity, and I plan on doing everything that I can certainly on my side of the aisle with the Republican Members. When we had a chance to vote on a bill, the Republican substitute that we had, we took care of this provision. But I would say that this is not a partisan issue, and I do not want to make it a partisan issue. This should be an American issue, a joint issue, so that we get together on a bipartisan basis, Republicans and Democrats working together to do what is right, to do what is just, to bring equity, to reform and modify and change and make this conference report a conference report the people can be proud of.

Right now there are flaws, and this is one of the major flaws.

So I would ask my colleagues to join us in this effort. I would hope, and I believe it is possible, that the chairman of the Committee on Ways and Means and the chairman of the

Senate Finance Committee would do what is right without any prodding. And I think they will. I think there is an opportunity, frankly, that they will take this and look at this now that they have had the opportunity to talk to many people and make the change. make the change to perfect and to change and modify and protect these people.

So I would ask my colleagues to join with us to see what we can do to bring fairness to this issue for the dedicated Federal employees, State employees, county employees, city employees, firemen, teachers, and policemen throughout this country, many of whom did not work for the high salary but worked for the highest purpose and the best cause, and that was to make their country and their community better.

Mr. Speaker, I again thank you for this time.

## SAM MUCHNICK

(Mr. PRICE asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. PRICE. Mr. Speaker, I would like to share with my colleagues an article about an outstanding American and my closest friend, Mr. Sam Muchnick.

Sam, at 80, is the oldest baseball writer in Cardinal Country. He has been actively engaged in writing about and promoting sports for 60 years. He is one of the most respected persons in the sports community. In the later phase of his career he became world renowned as a wrestling promoter. Besides his direct contributions to the enjoyment of so many sports enthusiasts, he is admired as an outstanding patriot and a loving and devoted father.

Bob Broeg, in the August 15 Redbird Review, wrote an excellent summary of Sam's fascinating career, a labor of love that will hopefully continue for many years to come. I am including this article at the close of my remarks for all of my colleagues to read and enjoy:

MUCHNICK—RETIRED WRESTLING PROMOTER  
RECALLS BASEBALL DAYS

(By Bob Broeg)

When the ball was taking its worst bounce to the ounce for the Cardinals in late May, a jelly-bellied former sports writer winced as a fly ball fell unmolested in the outfield, an Alphonse-and-Gaston act, that led to a gift two-base hit and served as a springboard for a Cincinnati victory over Danny Cox.

Sam Muchnick, at 80 the oldest living ex-baseball writer in town, shook his head in disappointment, then smiled wryly.

"If," he said, "that had happened in the heyday of Burrell Grimes, Jesse Haines, Lefty Grove and Wes Ferrell, my, the home clubhouse would look as if a tornado had hit it."

Muchnick was remembering rednecked pitching competitors from his day, which, though he spent only several years in sports writing, left him with an elephantine memory. It left him, also, a heckuva lot richer than sports writers, because when the St. Louis Times folded in 1932 he turned to a more lucrative field.